



September 21, 2017
Department of Transportation
7201 Corporate Center Drive, Hanover, MD
2:00pm – 4:00pm

Attendees:

Cabinet Members:

R. Michael Gill, Secretary, Department of Commerce, Chair
Ken Holt, Secretary, Maryland Department of Housing and Community Development (DHCD)
Kelly Schulz, Secretary, Department of Labor, Licensing and Regulation (DLLR)
Secretary Ben Grumbles, Department of Environment (MDE)
R. Earl Lewis Jr., Deputy Secretary for Secretary Pete Rahn, Department of Transportation (MDOT)

Guests:

Paul Beatty, Office of the Lieutenant Governor
Yesim Karaman, Office of the Governor
Randall Nixon, Business Ombudsman, Office of the Governor
Michael Higgs, Director of Assessments & Taxation
Mike Morello, Director, Governor's Office of Performance Improvement (GOPI)
Ben Wu, Deputy Secretary/COO, Department of Commerce
Horacio Tablada, Deputy Secretary, MDE
Brad Wolters, DHCD
Linda Gilmore, DLLR
Brady Walker, Department of Commerce
Liz Fitzsimmons, Department of Commerce
Allison Mayer, Department of Commerce
Steve Pennington, Department of Commerce
Greg Derwart, Department of Commerce
Bret Schreiber, Department of Commerce
Sharon Markley, Department of Commerce
Julie Woepke, Department of Commerce

I. Call to Order/Introductions of Members

Secretary Gill called the meeting to order and welcomed members and guests.

II. Review and approval of May 31, 2017 Minutes

Upon motion duly made and seconded, the minutes of the May 31, 2017 meeting were approved.

III. Chair Update

Secretary Gill presented an economic update citing that 127,600 jobs have been created since January of 2015, the current unemployment rate is 3.9%, tourism spending is up nearly 3% to \$17.3 billion and visitors have topped 42 million this past year. He continued by giving an overview of outreach activities of the past summer, emphasizing upcoming opportunities with the attraction of Amazon HQ2 and Infosys. He then provided an outline of the new Open for Business Marketing and Advertising Campaign. (Presentation on file.)

MDOT Deputy Secretary Earl Lewis, Jr. briefed the Cabinet on the Governor's announcement today to add four new lanes to I-270, the Capital Beltway (I-495), and the Baltimore-Washington Parkway (MD 295). The \$9 billion Traffic Relief Plan for these three (3) major state highways will reduce congestion for millions of drivers and mark the beginning of a historic and transformative effort to significantly improve the traffic conditions on some of Maryland's most traveled roads and highways for years to come.

Deputy Secretary Lewis stated the announcement officially begins the process to solicit the Public-Private Partnership (P3) industry for input and solutions to provide major congestion relief to these key transportation routes. With the total project estimated value at \$9 billion, the P3 portion to add four (4) new lanes on both I-495 and I-270 is the largest proposed P3 highway project in North America. The P3 will be seeking private developers to design, build, finance, operate, and maintain new lanes on I-495 between the American Legion Bridge and the Woodrow Wilson Bridge and on I-270 between I-495 and I-70. Once completed, the Traffic Relief Plan will deliver new express toll lanes, in addition to existing lanes, on I-495, I-270, and MD 295.

DLLR Secretary Kelly Schulz provided an update on the outreach being conducted with businesses on the topic of paid sick leave. DLLR has met with over 1,000 businesses and has found that overall businesses treat employees well with few complaints. DLLR is seeking to identify if and where there are problems with employee leave rights to provide recommendations.

IV. Cabinet Workgroups

a. Customer Service

Greg Derwart, Managing Director, Administration & Customer Experience, Department of Commerce and Mike Morello, Director of the Governor's Office of Performance Improvement (GOPI) addressed the Cabinet. Mr. Derwart reported that he and Mr. Morello participated in a Customer Service Presentation at the August Conference of the Maryland Association of Counties. He stated that the Board of Public Works recently approved a master training contract which allows 39 State agencies access to procurement of such services. He added that they would be presenting before the Regulatory Reform Commission and that they were receiving Annual Customer Service Plans from 39 agencies in preparation of Customer Experience Day on October 3, 2017.

Mr. Morello reviewed a handout of Customer Service Survey Results for the period of January 4, 2017 – August 27, 2017. Overall, with the exception of MDOT, the Cabinet Agencies rated higher than the overall satisfaction rating of 81.2%. Randall Nixon, Governor's Ombudsman added that his office has surveyed all ombudsmen within state agencies and is in the process of developing a database to identify the most needed services, frequency of calls and patterns to assist with public facing outreach of information. Secretary Holt commended this effort would assist in whether the type of assistance is for individuals or businesses, thus providing structure to public relations and outreach.

b. Workforce

Bret Schreiber, Senior Director, Office of BioHealth and Life Sciences, introduced Ms. Sharon Markley, the new Director of Education and Innovation, Strategic Industries and Entrepreneurship, Department of Commerce. Ms. Markley has been coordinating with Linda Gilmore, Director of Business Services with DLLR and Secretary Schulz regarding the desire for a coordinated workforce development website. Secretary Schulz and Mr. Schreiber presented a best practice website for the State of Ohio which the Agencies are reviewing for a template.

Ms. Gilmore then provided an update on nine (9) new Registered Apprenticeship Programs. The Department has a goal of reaching 10,000 apprenticeships in numerous fields both internal to a business or with academic partners. She added that Maryland is leading the nation with a first of its kind innovative lodging manager apprenticeship. (Presentation on file.)

c. Mega Projects

Ben Wu, Deputy Secretary/COO, Department of Commerce provided a brief update on the five (5) top Mega Projects: 1) Federal Bureau of Investigation (FBI) headquarters – the Trump Administration has cancelled the request for proposal (RFP) process due to lack of full funding (\$1.5 billion was needed with only \$1 billion appropriated), General Services Administration (GSA) has indicated that the replacement or purchase or lease of the J. Edgar Hoover Building will no longer be part of any future proposals, and there remains demand to replace the aging headquarters; 2) Port Covington – Goldman Sachs recently announced a \$230 million private investment into the project and property owners are preparing a response to the RFP proposal to attract the Amazon HQ2 project; 3) Tradepoint Atlantic – FedEx Distribution Center opened on September 20th, Under Armour Distribution shell is constructed and 20% of useable land is committed; 4) Amazon HQ2 - RFPs are due October 19, 2017. While several sites and counties are preparing responses to the RFP, Governor Hogan has expressed support of the Port Covington site.

Secretary Holt updated the Cabinet on the fifth Mega Project, Project C.O.R.E., stating that in the past 18 months, 968 demolitions have occurred and 65 awards to non-profits or private developers have been issued for reconstruction for stabilization. He added that Housing and Urban Development (HUD) Secretary Ben Carson has toured the Baltimore City and many of the projects and that FY18 HUD awards are anticipated to be announced on October 11th or 19th.

Brad Wolters, Senior Geographic Information Systems (GIS) Specialist, DHCD and Julie Woepke, Executive Director, Maryland Economic Development Commission review the latest version of the Mega Projects website and map. Since the Cabinet's May meeting, staff migrated data collected to date into the new format, website and mapping for ease of accessibility based on input of from a Mega Projects Workgroup meeting held in July. A demonstration of the website was presented. Discussion occurred

among the Cabinet on the purpose, content and public interface. Staff was advised to continue work on the website to fine tune the information presented and process for updates.

V. Business Development Activity

Steve Pennington, Managing Director, Business & Industry Sector Development, Department of Commerce provided an update on nine (9) recent wins which reflect 1,598 new and 810 retain jobs. He stated that there were four (4) pending announcements which reflect 3,380 new and 370 retained jobs in addition to four (4) projects near commitment. Mr. Pennington reported on notable active new projects – Amazon HQ2, new manufacturing and information technology attractions, an information technology retention and a life sciences expansion. He concluded by stating that for FY17, the Department surpassed its new and retained jobs goal by 700, new and retained jobs in the pipeline are up 10% over same period last year and the Department is up 5% in business meetings. (Presentation on file.)

VI. Good of the Order

No additional information was presented by the Cabinet.

VII. Future Meeting Dates

November or December

VIII. Adjournment

There being no further discussion and upon motion duly made and seconded, the meeting was adjourned at 4:00pm by Secretary Gill.